

111TH CONGRESS
1ST SESSION

S. 1560

To amend the Outer Continental Shelf Lands Act to provide for the sharing of certain outer Continental Shelf revenues from areas in the Alaska Adjacent Zone.

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2009

Mr. BEGICH introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Outer Continental Shelf Lands Act to provide for the sharing of certain outer Continental Shelf revenues from areas in the Alaska Adjacent Zone.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Alaska Adjacent Zone
5 Revenue Sharing Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) the United States is an Arctic nation
9 with—

1 (A) an approximately 700-mile border with
2 the Arctic Ocean;

3 (B) more than 100,000,000 acres of land
4 above the Arctic Circle; and

5 (C) an even broader area defined as Arctic
6 by temperature, which includes the Bering Sea
7 and Aleutian Islands;

8 (2) the Arctic region of the United States—

9 (A) is home to an indigenous population
10 that has subsisted for millennia on the abun-
11 dance of marine mammals, fish, and wildlife in
12 the Arctic region, many of which are unique to
13 the region;

14 (B) is known to the indigenous population
15 as Inuvikput or the “place where we live”; and

16 (C) has produced more than
17 16,000,000,000 barrels of oil and, according to
18 the United States Geological Survey, may hold
19 an additional 30,000,000,000 barrels of oil and
20 220,000,000,000,000 cubic feet of natural gas,
21 making the region of fundamental importance
22 to the national interest of the United States;

23 (3) temperatures in the United States Arctic re-
24 gion have warmed by 3 to 4 degrees Celsius over the

1 past half-century, a rate of increase that is twice the
2 global average;

3 (4) the Arctic ice pack is rapidly diminishing
4 and thinning, and the National Oceanic and Atmos-
5 pheric Administration estimates the Arctic Ocean
6 may be ice-free during summer months in as few as
7 30 years;

8 (5) those changes to the Arctic region are hav-
9 ing a significant impact on the indigenous people of
10 the Arctic, the communities and ecosystems of the
11 people, as well as the marine mammals, fish, and
12 wildlife on which the people depend; and

13 (6) those changes are opening new portions of
14 the United States Arctic continental shelf to possible
15 development for offshore oil and gas, commercial
16 fishing, marine shipping, and tourism.

17 **SEC. 3. REVENUE SHARING FROM AREAS IN ALASKA ADJA-**
18 **CENT ZONE.**

19 Section 18 of the Outer Continental Shelf Lands Act
20 (43 U.S.C. 1344) is amended by adding at the end the
21 following:

22 “(i) REVENUE SHARING FROM AREAS IN ALASKA
23 ADJACENT ZONE.—

24 “(1) DEFINITIONS.—In this subsection:

1 “(A) COASTAL POLITICAL SUBDIVISION.—

2 The term ‘coastal political subdivision’ means a
3 county-equivalent subdivision of the State all or
4 part of which—

5 “(i) lies within the coastal zone (as
6 defined in section 304 of the Coastal Zone
7 Management Act of 1972 (16 U.S.C.
8 1453)); and

9 “(ii) the closest point of which is not
10 more than 300 statute miles from the geo-
11 graphical center of any leased tract.

12 “(B) DISTANCE.—The terms ‘distance’
13 means minimum great circle distance.

14 “(C) INDIAN TRIBE.—The term ‘Indian
15 tribe’ means an Alaska Native entity recognized
16 and eligible to receive services from the Bureau
17 of Indian Affairs, the headquarters of which is
18 located within 300 miles of the geographical
19 center of a leased tract.

20 “(D) LEASED TRACT.—The term ‘leased
21 tract’ means a tract leased under this Act for
22 the purpose of drilling for, developing, and pro-
23 ducing oil or natural gas resources.

24 “(E) STATE.—The term ‘State’ means the
25 State of Alaska.

1 “(2) BONUS BIDS.—Subject to paragraphs (4),
 2 (5), and (6), effective beginning on the date that is
 3 5 years after the date of enactment of this sub-
 4 section, the State shall, without further appropria-
 5 tion or action, receive 37.5 percent of any bonus bid
 6 paid for leasing rights for any area in the Alaska
 7 Adjacent Zone.

8 “(3) POST LEASING REVENUES.—Subject to
 9 paragraphs (4), (5), and (6), in addition to bonus
 10 bids under paragraph (1), the State shall receive,
 11 from leasing of the area, 37.5 percent of—

12 “(A) any lease rental payments;

13 “(B) any lease royalty payments;

14 “(C) any royalty proceeds from a sale of
 15 royalties taken in kind by the Secretary; and

16 “(D) any other revenues from a bidding
 17 system under section 8.

18 “(4) ALLOCATION AMONG COASTAL POLITICAL
 19 SUBDIVISIONS OF THE STATE.—

20 “(A) IN GENERAL.—The Secretary shall
 21 pay 20 percent of any allocable share of the
 22 State, as determined under paragraphs (2) and
 23 (3), directly to coastal political subdivisions.

24 “(B) ALLOCATION.—

“(i) IN GENERAL.—For each leased tract used to calculate the allocation of the State, the Secretary shall pay the coastal political subdivisions within 300 miles of the geographical center of the leased tract based on the relative distance of the coastal political subdivisions from the leased tract in accordance with this subparagraph.

“(ii) DISTANCES.—For each coastal political subdivision, the Secretary shall determine the distance between the point on the coastal political subdivision coastline closest to the geographical center of the leased tract and the geographical center of the tract.

“(iii) PAYMENTS.—The Secretary shall divide and allocate the qualified outer Continental Shelf revenues derived from the leased tract among coastal political subdivisions in amounts that are inversely proportional to the applicable distances determined under clause (ii).

“(5) ALLOCATION AMONG REGIONAL CORPORATIONS.—

1 “(A) IN GENERAL.—The Secretary shall
2 pay 33 percent of any allocable share of the
3 State, as determined under this subsection, di-
4 rectly to certain Regional Corporations estab-
5 lished under section 7(a) of the Alaska Native
6 Claims Settlement Act (43 U.S.C. 1606(a)).

7 “(B) ALLOCATION.—

8 “(i) IN GENERAL.—For each leased
9 tract used to calculate the allocation of the
10 State, the Secretary shall pay the Regional
11 Corporations, after determining those Na-
12 tive villages within the region of the Re-
13 gional Corporation which are within 300
14 miles of the geographical center of the
15 leased tract based on the relative distance
16 of such villages from the leased tract, in
17 accordance with this paragraph.

18 “(ii) DISTANCES.—For each such vil-
19 lage, the Secretary shall determine the dis-
20 tance between the point in the village clos-
21 est to the geographical center of the leased
22 tract and the geographical center of the
23 tract.

24 “(iii) PAYMENTS.—The Secretary
25 shall divide and allocate the qualified outer

Continental Shelf revenues derived from the leased tract among the qualifying Regional Corporations in amounts that are inversely proportional to the distances of all of the Native villages within each qualifying region.

“(iv) REVENUES.—All revenues received by each Regional Corporation shall be—

“(I) treated by the Regional Corporation as revenue subject to the distribution requirements of section 7(i)(1)(A) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(i)(1)(A)); and

“(II) divided annually by the Regional Corporation among all 12 Regional Corporations in accordance with section 7(i) of that Act.

“(v) FURTHER DISTRIBUTION.—A Regional Corporation receiving revenues under clause (iv)(II) shall further distribute 50 percent of the revenues received in accordance with section 7(j) of the Alas-

1 ka Native Claims Settlement Act (43
2 U.S.C. 1606(j)).

3 “(6) ALLOCATION AMONG INDIAN TRIBES.—

4 “(A) IN GENERAL.—The Secretary shall
5 pay 7 percent of any allocable share of the
6 State, as determined under this subsection, di-
7 rectly to Indian tribes.

8 “(B) ALLOCATION.—

9 “(i) IN GENERAL.—For each leased
10 tract used to calculate the allocation of the
11 State, the Secretary shall pay Indian tribes
12 based on the relative distance of the head-
13 quarters of the Indian tribes from the
14 leased tract, in accordance with this sub-
15 paragraph.

16 “(ii) DISTANCES.—For each Indian
17 tribe, the Secretary shall determine the
18 distance between the location of the head-
19 quarters of the Indian tribe and the geo-
20 graphical center of the tract.

21 “(iii) PAYMENTS.—The Secretary
22 shall divide and allocate the qualified outer
23 Continental Shelf revenues derived from
24 the leased tract among the Indian tribes in

1 amounts that are inversely proportional to
2 the distances described in clause (ii).

3 “(7) CONSERVATION ROYALTY.—After making
4 distributions under paragraphs (2) and (3) and sec-
5 tion 31, the Secretary shall, without further appro-
6 priation or action, distribute a conservation royalty
7 equal to 6.25 percent of Federal royalty revenues de-
8 rived from an area leased under this subsection from
9 all areas leased under this subsection for any year,
10 into the land and water conservation fund estab-
11 lished under section 2 of the Land and Water Con-
12 servation Fund Act of 1965 (16 U.S.C. 460l–5) to
13 provide financial assistance to States under section
14 6 of that Act (16 U.S.C. 460l–8).

15 “(8) DEFICIT REDUCTION.—After making dis-
16 tributions in accordance with paragraphs (2) and (3)
17 and in accordance with section 31, the Secretary
18 shall, without further appropriation or action, dis-
19 tribute an amount equal to 6.25 percent of Federal
20 royalty revenues derived from an area leased under
21 this subsection from all areas leased under this sub-
22 section for any year, into direct Federal deficit re-
23 duction.”.

